

STATE OF MICHIGAN  
**DESCRIPTIONS OF PENSION TRUST FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2000

Additional Pension Trust Fund information regarding plan membership, benefits and funding requirements may be found in the footnote to the financial statements entitled "Pension Benefits and Other Postemployment Benefits."

#### LEGISLATIVE RETIREMENT FUND

The Legislative Retirement System (LRS) was created by P.A. 261 of 1957 to provide retirement allowances, survivors' allowances, and other benefits for members of the Legislature and the presiding officers and their surviving spouses or children. Participants in the system have a deduction from each salary payment to partly finance the fund. In addition, legislative appropriations, interest on fund investments, and court fees complete the financing.

Public Act 486 of 1996 amended the LRS enabling legislation to provide that members elected after March 31, 1997, participate in the State's defined contribution plan.

#### STATE POLICE RETIREMENT FUND

This fund was created by P.A. 251 of 1935 which was superseded by P.A. 182 of 1986 to provide retirement benefits for State Police officers. It is administered by a nine member board under the direction of a chairperson elected from the membership. Financing is provided by investment income and by an annual legislative appropriation.

#### STATE EMPLOYEES' RETIREMENT FUND

This fund was established by P.A. 240 of 1943 and is administered by a nine member board under the direction of an Executive Secretary. Public Act 216 of 1974 eliminated the requirement for member contributions and provided for financing by legislative appropriation and investment earnings.

Effective March 31, 1997, P.A. 487 of 1996 closed the plan to new entrants. All new employees become members of the State's defined contribution plan. The public act also allows returning employees and members who left state employment on or before March 31, 1997, to elect the defined benefit plan instead of the defined contribution plan.

#### PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND

In accordance with P.A. 300 of 1980, on October 1, 1981, the Public School Employees' Chapter I Retirement Fund was merged with the Public School Employees' Chapter II Retirement Fund to establish the Public School Employees' Retirement Fund. The two original funds were created by Public Acts 136 of 1945 and 259 of 1974, respectively. Administrative policy is governed by an eight member board.

Financing for the fund is provided by employer contributions and investment earnings. Under P.A. 91 of 1985, additional amounts may be contributed by employees to a "member investment plan."

#### JUDGES' RETIREMENT FUND

Public Act 234 of 1992 authorized the merger of the Probate Judges' Retirement Fund into the Judges' Retirement Fund by requiring the consolidation of all assets, rights and obligations under the former Judges' and Probate Judges' Retirement Funds. The consolidated fund is administered by the Judges' Retirement Board, with the director of the Office of Retirement Systems as the Executive Secretary. Financing is from member contributions, court filing fees as provided under law, investment earnings, and legislative appropriations.

Public Act 523 of 1996, which was effective March 31, 1997, closed the plan to new entrants. Judges or state officials newly appointed or elected on or after March 31, 1997, become members of the State's defined contribution plan.

#### STATE EMPLOYEES' DEFINED CONTRIBUTION RETIREMENT FUND

This fund was established by P.A. 487 of 1996 as a defined contribution pension plan for all state employees hired after March 31, 1997, and for those members of the State Employees' Retirement (defined benefit) System, Judges' Retirement System, and Legislative Retirement System who elected to transfer to this plan. Executive Order 1999-7 transferred administration of the fund from the Department of Treasury to the Department of Management and Budget. However, the State Treasurer shall continue to oversee investment options.